



CITY OF NOVI CITY COUNCIL
SEPTEMBER 30, 2024

SUBJECT: Approval of the final payment to Pamar Enterprises, Inc. for the 2022 Asbestos Cement Water Main Replacement Program, in the amount of \$188,511, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Construction was performed on budget and on time.
- Restoration of all streets associated with water main replacement.
- A Change Order was approved to complete the water main replacement and restoration on Roethel Drive.

FINANCIAL IMPACT

	FY 2023/24
EXPENDITURE REQUIRED	\$ 10,258.10 Expense \$ 178,253.12 Retainage
BUDGET <u>Water & Sewer Fund</u> Expense Account (592-536.00-976.082) Retainage Account (592-000.00-211.048)	\$ 10,259 \$ 178,254
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0

BACKGROUND INFORMATION:

The City has approximately 32 miles of asbestos cement (AC) water main in the water supply network, many of which experience breaks. The City's 2017 Water System Asset Management Plan recommends replacement of all AC pipe to avoid increased breaks as the pipes reach their expected design life. The City's engineering consultant, Spalding DeDecker, recently developed an asset management plan for AC water main replacement. The plan prioritizes segments of water main based on existing main conditions, probability of failure, and consequence of failure. This project, which replaced approximately 3.5 miles of AC water main, began a phased, multi-year program aimed at replacing all AC water main throughout the City.

This year's program dealt with AC water main in the Meadowbrook Manor subdivision (Division 1), Meadowbrook Lake subdivision (Division 2), along Center Street (Division 3 - in the North Hills subdivision), and along Roethel Drive (Division 4 - via a change order). The contract involved abandoning the existing asbestos water main, placement of new ductile iron water main, placement of new water service connections, and replacing the associated streets with new asphalt and new concrete curb, where applicable.

The construction contract was awarded at the July 11, 2022 City Council meeting to Pamar Enterprises, Inc., in the amount of \$6,532,828.15. Staff worked with the engineering consultant for this project, Spalding DeDecker & Associates, to review and verify the final contract amount of \$188,511.23 (retainage) that is due the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, August 28, 2024).

There were eleven (11) approved change orders issued, resulting in an overall increase of \$599,139.69 or 9.2% over the awarded amount. The approved change orders resulted in a final contract price of \$7,131,967.84 for the contract. See the table below for a breakdown of the change orders:

CHANGE ORDER	DESCRIPTION	AMOUNT
1	Revised valve connections and locations at Meadowbrook Manor	-\$15,550.00
2	Revising open cut method to pipe bursting at Meadowbrook Manor (8 Mile)	\$9,440.00
3	Addition of gate valve & wells and alternative service leads for Divisions 1, 2, & 3	\$18,200.00
4	Addition of three driveway aprons on Center Street	\$8,924.37
5	Initial balancing of items in Division 1, 2, & 3	-\$584,376.34
6	Addition of Roethel Drive water main replacement & roadway rehabilitation	\$1,263,907.25
7	Addition of concrete curb & gutter along the east side of Roethel Drive	\$186,315.56
8	Directional Bore of Fire Station No. 2 water service and driveway aprons off Roethel Drive	\$2,460.05
9	Balancing quantity items of driveways, cold milling & water services in Divisions 1, 2, & 3	\$54,825.34
10	Balancing quantities for items in Divisions 1 & 4	-\$346,849.09
11	Final balancing of all remaining items in contract	\$1,842.54
	TOTAL	\$599,139.69

RECOMMENDED ACTION: Approval of the final payment to Pamar Enterprises, Inc. for the 2022 Asbestos Water Main Replacement Program in the amount of \$188,511.23, plus interest earned on retainage.